

**LPP I Asset Pooling
Authorised Contractual Scheme**

Annual Report & Financial Statements
for the period from 31 October 2016 to 31 March 2017

LPP I Asset Pooling Authorised Contractual Scheme

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Annual Reports

The annual report of the Authorised Contractual Scheme ("the ACS") will normally be published within four months from the end of each annual accounting period and the half yearly report will be published within two months of each interim accounting period. A report containing the full accounts is available on the ACS Manager's website at www.localpensionspartnership.org.uk to any person free of charge.

Documents of the ACS

The following documents may be inspected free of charge during normal business hours on any Business Day at the Principal Place of Business of the ACS Manager at Winckley House, Cross Street, Preston, Lancashire PR1 3LT:

- the Prospectus;
- the most recent annual and half yearly reports of the ACS; and
- the ACS Deed (and any amending documents).

Unitholders may obtain copies of the above documents from the ACS Manager. The ACS Manager may make a charge at its discretion for copies of documents (apart from the most recent annual and half yearly reports of the ACS and the Prospectus which are available free of charge to any person).

LPP I Asset Pooling Authorised Contractual Scheme

General Information

ACS Manager (“the Manager”):

Local Pensions Partnership Investments Ltd

Registered Office:

Local Pensions Partnership Investments Ltd
County Hall,
Fishergate,
Preston,
Lancashire
PR1 8XJ

Principal Place of Business:

Local Pensions Partnership Investments Ltd
Winckley House
Cross Street
Preston
Lancashire
PR1 3LT

Authorised and regulated by the Financial Conduct Authority.

Depository:

BNY Mellon Trust & Depository (UK) Limited

Registered Office:

The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Principal place of business:

One Canada Square
London
E14 5AL

Authorised and regulated by the Financial Conduct Authority.

Registrar and Transfer Agent:

The Bank of New York Mellon (International) Limited
One Canada Square
London
E14 5AL

Legal Advisers to the ACS:

Eversheds LLP
One Wood Street,
London
EC2V 7WS

Auditors:

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Custodian:

The Bank of New York Mellon SA/NV
London Branch
The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Directors of the Manager:

Sally Bridgeland - Chair of LPP Investments Board*
Michael O’Higgins - Chairman*
Robert Vandersluis - Chair of Risk*
Christopher Rule - Managing Director (Investments) and
Chief Investment Officer
Michael Jensen - Co-Chief Investment Officer
Thomas Richardson - Chief Risk Officer

*Non-executive Director.

Investment Managers of the ACS (“the Investment Managers”):

Local Pensions Partnership Investments Ltd
County Hall,
Fishergate,
Preston,
Lancashire
PR1 8XJ

Robeco Institutional Asset Management B.V.
Weena 850,
3014 DA,
Rotterdam,
The Netherlands

MFS International (UK) Limited
One Carter Lane,
London,
EC4V 5ER

Magellan Asset Management Limited
MLC Centre Level 36,
19 Martin Place,
Sydney,
NSW 2000,
Australia

LPP I Asset Pooling Authorised Contractual Scheme Manager's Report for the period ended 31 March 2017

About the Scheme

Local Pensions Partnership Investments ("LPP I") Asset Pooling Authorised Contractual Scheme (the "Scheme") is an authorised contractual scheme in co-ownership form authorised by the FCA with effect from 8 September 2016. The Scheme is a Qualified Investor Scheme under the FCA rules and is subject to the limits on investments set out in the FCA Collective Investment Schemes Sourcebook.

The Scheme is organised as an umbrella authorised contractual scheme comprising separate Sub-funds. As at 31 March 2017, the following Sub-funds were available to investors:

LPP I Global Equities Fund

Securities Financing Transactions Regulation (Regulation (EU) 2015/2365) ("SFTR")

The European Regulation on reporting and transparency of securities financing transactions (SFTR), which aims to improve the transparency and monitoring of the financial system, entered into force on 13 January 2016. The SFTR requires the Defined Manager to comply with a series of obligations. In particular, the Manager will be required to provide investors with information on the use of securities financing transactions (SFTs) and total return swaps (TRS) by the Scheme in the annual reports for the Scheme published from 13 January 2017.

During the period from 31 October 2016 to 31 March 2017, the Sub-fund did not enter into any SFTs and/or TRS. Should this change in the future, the annual reports for the Scheme will disclose all required information on the use of SFTs and TRS by the Scheme.

Please refer to the Prospectus for further details on SFTs and TRS.

Cross Sub-fund holdings within the Scheme:

As at 31 March 2017 there were no cross Sub-fund holdings within the Scheme.

The Alternative Investment Fund Managers Regulations 2013

Local Pensions Partnership Investments Ltd (the "Manager") is authorised and regulated by the Financial Conduct Authority with permission to carry on the activity of 'managing an AIF' in the United Kingdom. As such, the Manager has been appointed to be the alternative investment fund manager of the Scheme which is an alternative investment fund, or 'AIF', for the purposes of the AIFMD.

In this document the term "AIFMD" means, collectively, Directive 2011/61/EU, as implemented by Commission Delegated Regulation (EU) No. 231/2013 and transposed in the UK by SI 2013/1773 entitled 'Financial Services and Markets; The Alternative Investment Fund Manager Regulations 2013' and any other applicable UK national implementing measures, including (without limitation) the rules contained in the FCA handbook, each as may be amended or updated from time to time.

Report on Remuneration

The below disclosures are made in respect of the remuneration policies of the Local Pensions Partnership Ltd group ("LPP"), as they apply to Local Pensions Partnership Investment Ltd (the "Manager"). The disclosures are made in accordance with the Alternative Investment Fund Managers Directive (the "AIFMD"), the European Commission Delegated Regulation supplementing the AIFMD (the "Delegated Regulation") and the "Guidelines on sound remuneration policies under the AIFMD" issued by the European Securities and Markets Authority and the Financial Conduct Authority ("FCA") Handbook SYSC 19B: The AIFM Remuneration Code, and FUND 3.3.5 R.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Scheme in respect of the Manager's financial period ending 31 March 2017 was £383k.

There were a total of 9 beneficiaries (6 Directors and 3 Others) of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Scheme in respect of the Manager's financial year ending 31 March 2017, to its senior management was £66k, and to members of its staff whose actions have a material impact on the risk profile of the Fund was £317k.



Christopher Rule

On behalf of Local Pensions Partnership Investments Ltd

24 July 2017

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

for the period from 31 October 2016 to 31 March 2017

1 Accounting and Distribution Policies

Accounting Policies

(a) The financial statements have been prepared in compliance with UK Financial Reporting Standard (“FRS”) 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (the “SORP”) issued by the Investment Management Association (now known as the Investment Association) in May 2014. Amendments to FRS 102 ‘Fair value hierarchy disclosures’ effective for annual periods beginning on or after 1 January 2017 have been early adopted. These amendments improve the consistency of fair value disclosures for financial instruments with those required by EU-adopted IFRS.

(b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared.

All distributions from Collective Investment Schemes (“CIS”) are recognised when the securities are quoted ex-dividend. All distributions from holdings in CIS are treated as revenue with the exception of the equalisation element, which is treated as capital.

All revenue is recognised as a gross amount that takes account of any withholding taxes but excludes any other taxes such as attributable tax credits.

Any reported revenue from an offshore fund with reporting status from HMRC, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available. The equalisation element is treated as capital.

Bank interest is recognised on an accruals basis.

(c) Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

(d) The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue form part of the distribution. Any tax treatment will follow the accounting treatment of the principal amount.

(e) Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Scheme is required to take up some or all of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.

(f) All expenses, except those relating to the purchase and sale of investments are charged against revenue. All expenses are recognised on an accruals basis.

(g) The investments of the Scheme have been valued at market value, defined as fair value, which is usually bid value at close of business New York time on the last business day of the accounting period. In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager’s pricing committee, and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset or liability if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

Investments in dual priced Collective Investment Schemes have been valued at market values, defined as fair value, which is usually the latest available bid value at the 12 noon valuation point of the underlying fund on the last business day of the accounting period.

(h) Any transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of any such transaction. Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at close of business New York time on the last business day of the accounting period. Revenue items in foreign currencies are translated into Sterling at the exchange rate when the revenue is received.

(i) Where appropriate, certain permitted financial instruments such as derivatives are used for both hedging and for the purpose of achieving the investment objective and policy of the Sub-fund. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in “Revenue” in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in “Net capital gains” in the Statement of Total Return.

(j) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Distribution Policies

(k) The ordinary element of stock dividends is treated as revenue and forms part of the distribution.

(l) All of the net revenue available for distribution at the final accounting period end will be distributed to unitholders. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

(continued)

2 Financial Instruments and Risks

The Scheme's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the Prospectus for a more detailed discussion of the risks inherent in investing in the Scheme.

Risk management framework

The Manager has delegated the day to day administration of the investment programme to the Investment Managers. The Investment Managers are also responsible for ensuring that the Fund is managed within the terms of its investment guidelines and limits set out in the Prospectus. The Manager reserves to itself the investment performance, product risk monitoring and oversight and responsibility for the monitoring and oversight of regulatory and operational risk for the Scheme.

The Asset Liability Market Risk Team (ALM Risk Team) are the designated individuals who ensure the circular risk management process (Risk Identification, Risk Analysis and Evaluation, Risk Responses, Risk Monitoring and Review, and Risk Reporting) is carried out given a clearly defined risk appetite framework. The ALM Risk Team manage key risks and returns in an unfolding and changing environment.

ALM Risk Management not only involves establishing the risk appetite of all stakeholders, but also providing input to the development of the strategic asset allocation, and the probabilities of achieving the overall strategic objectives of the Fund.

The ALM Risk Team uses the technique of scenario analysis. Scenarios are future trajectories modelling the external insecurities that managers must take into account in their policy determination and evaluation. They concern inflation, interest rates, currencies, the returns of the various investment categories and styles (such as hedge funds), and the development of instruments deduced from these, such as swaps and options.

The ALM Risk Team provide Up-to-date and easy to understand risk decomposition and monitoring reports. These are an essential tool to support pension fund management in their Strategic Risk Management.

However, it is the responsibility of each individual covered by this Policy to identify any potential risks for the Scheme and ensure that they are fed into the risk management process.

Risks are identified by a number of means including, but not limited to:

- performance measurement against agreed objectives
- findings of internal and external risk management reports
- informal meetings of senior officers or other staff involved in the management of the Scheme
- liaison with other organisations, and professional groups, etc.

Once identified, risks will be documented on the Scheme's risk register, which is the primary control document for the subsequent analysis, control and monitoring of those risks.

The principal risk exposure of the Scheme is set out as follows:

a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Scheme may suffer through holding market positions in the face of market movements. The Scheme is exposed to market risk by virtue of its investments in equities.

A key metric used to measure market risk and the global exposure of the Scheme is Value at Risk (VaR). VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. The Scheme utilises an Absolute VaR approach and uses a Monte Carlo model to simulate possible future paths for asset and liability returns. This is currently calculated over a one year horizon, a confidence level of 95% and 99% for the total Sub-fund and for each asset class and a one month holding period. The Scheme also uses the latest available portfolio holdings at the time of calculation as the input to the model.

During the period of observation for the Sub-fund, the highest VaR utilisation was 6.07%, the lowest VaR utilisation was 5.61% and the average VaR utilisation was 5.80%.

It is noted that the use of the VaR methodology has limitations, namely that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR amounts. These limitations and the nature of the VaR measure mean that the Scheme can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts, will not occur more frequently.

i) Market risk arising from foreign currency risk

Exposure to foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Scheme is accounted for in Sterling and holds financial assets and liabilities denominated in Sterling and other international currencies. Therefore the Balance Sheet and Statement of Total Return may be affected by currency movements.

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

(continued)

2 Financial Instruments and Risks (continued)

i) Market risk arising from foreign currency risk (continued)

Management of foreign currency risk

The ACS Manager may utilise various instruments including, but not limited to: forward currency contracts, currency futures and currency swaps to seek to reduce, but not eliminate, the effect of exchange rate fluctuations between the currencies of the underlying investments of the Sub-fund and the currency of denomination of each hedged Unit Class (e.g. Sterling, Euro or US Dollar), based on the total value of each hedged Unit Class.

ii) Market risk arising from other price risk

Exposure to other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Scheme is exposed to other price risk arising from its investments. The exposure of the Scheme to other price risk is the market value of the investments held as shown in the portfolio statement of the Scheme.

Management of other price risk

The Investment Managers manage the Scheme's other price risk on a daily basis in accordance with the individual Sub-fund's investment objective.

By diversifying the portfolio, where this is appropriate and consistent with the individual Sub-fund's objectives, the risk that a price change of a particular investment will have a material impact on the net asset value of the Fund is minimised. The investment concentrations within the portfolio are disclosed in the portfolio statement by investment type.

iii) Market risk arising from interest rate risk

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme is exposed to interest rate risk on its cash and bank balances held at The Bank of New York Mellon (International) Limited and its cash equivalent holdings. Cash held on deposit at The Bank of New York Mellon (International) Limited receives/incurs interest at the prevailing daily rate which may be negative depending on the currency in which the cash is held.

At 31 March 2017, no interest bearing investments were held by the Scheme, therefore no interest rate risk exposure table has been presented.

Management of interest rate risk

Interest rate risk exposure is managed by constantly monitoring the position for deviations outside of a pre-determined tolerance level and, when necessary rebalancing back to the original desired parameters.

b) Counterparty credit risk

Exposure to counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Scheme is exposed to counterparty credit risk from the parties with which they trade and will bear the risk of settlement default.

Management of counterparty credit risk

The Manager maintains a list of approved counterparties. This list is regularly monitored and revised for the changes based on the counterparty's creditworthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

i) Depositary and Custodian

The Scheme's Depositary is BNY Mellon Trust & Depositary (UK) Limited (the "Depositary"). The Depositary has delegated the function of custodian of the property of the Scheme to The Bank of New York Mellon (International) Limited (the "Custodian").

Substantially all of the investments other than financial derivative instruments of the Scheme are held by the Custodian at the period end. Investments are segregated from the assets of the Custodian's, with ownership rights remaining with the Scheme. Bankruptcy or insolvency of the Custodian may cause the Scheme's rights with respect to its investments held by the Custodian to be delayed or limited. The maximum exposure to this risk is the amount of long investments disclosed in the portfolio statement.

The Scheme will be exposed to the credit risk of the Custodian, or any depositary used by the Depositary regarding cash balances held in accounts with same. In the event of insolvency or bankruptcy of the Custodian or any depositary used by the Depositary, the Scheme will be treated as a general creditor of the Depositary.

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

(continued)

2 Financial Instruments and Risks (continued)

i) Depositary and Custodian (continued)

Management of counterparty credit risk related to the Depositary and Custodian

To mitigate the Scheme's credit risk with respect to the Depositary, the Investment Managers of the Fund employ specific procedures to ensure that the Depositary employed is a reputable institution and that the associated credit risk is acceptable to the Scheme. The Scheme only transacts with counterparties that are regulated entities subject to prudential supervision or with high credit-ratings assigned by international credit-rating agencies.

The long-term credit rating of the parent company of the Depositary and Custodian, The Bank of New York Mellon Corporation as at 31 March 2017 was A-1+ (Standard & Poor's rating) Source: Bloomberg.

ii) Counterparties

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

Management of counterparty credit risk related to Counterparties

The Manager monitors the credit rating and financial position of the brokers used to further mitigate this risk.

Exposure to liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulties in meeting its obligations associated with financial liabilities.

Liquidity risk to the Scheme arises from the redemption requests of investors and the liquidity of the underlying investments the Scheme is invested in. The Scheme's unitholders may redeem their units on the close of any daily dealing deadline for cash equal to a proportionate share of the Scheme's Net Asset Value. The Scheme is therefore potentially exposed to the liquidity risk of meeting the unitholders' redemptions and may need to sell assets at prevailing market prices to meet liquidity demands.

The Scheme invests primarily in companies based in the UK, Asia, Europe and US, which are typically considered to be territories operating with high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

All financial liabilities held by the Scheme as at 31 March 2017, based on contractual maturities, fall due within one to three months.

c) Liquidity risk

Management of liquidity risk

The Manager is responsible for managing the liquidity risk of the ACS. To manage and monitor liquidity risk the Manager maintains liquidity risk management policies and procedures.

The liquidity risk management policies and procedures include the management implementation and maintaining of appropriate liquidity limits and monitoring and assessing the policies and procedures of the Investment Managers in managing the Scheme's liquidity limits.

Liquidity risk management policies also include the periodic stress testing of the Scheme and the procedures of each Investment Manager under both normal and exceptional liquidity conditions to ensure that anticipated redemption requests can be met.

In determining its risk management policies, the Manager has taken into account the nature, scale and complexity of its activities including those of the delegated Investment Managers, and has liquidity risk profiles that are consistent with those required for a well-functioning and robust system including the requirement to meet redemption requests from unitholders on each dealing day.

In exceptional circumstances, if there is insufficient liquidity in the Scheme to meet the redemption requests, the Manager may ultimately need to temporarily suspend dealing in the Scheme.

d) Valuation of financial instruments

The Scheme classifies financial instruments measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

Level 1 – Quoted prices for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Scheme does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

LPP I Asset Pooling Authorised Contractual Scheme

Notes applicable to the Financial Statements

(continued)

2 Financial Instruments and Risks (continued)

d) Valuation of financial instruments (continued)

Level 2 – Valuation techniques using observable inputs (continued)

Valuation techniques used for non-standardised financial instruments such as OTC derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity determined inputs.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Managers. The Investment Managers consider observable inputs to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below is an analysis of the Sub-fund's investments and liabilities measured at fair value at the Balance Sheet date.

	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
31 March 2017				
Investment assets	5,414,325	—	—	5,414,325
Investment liabilities	—	—	—	—

e) Leverage

The Scheme may employ leverage and borrow cash in accordance with the stated investment policy or investment strategy of each Sub-fund. The Scheme may employ leverage in its investment programmes through various means including the use of financial derivative instruments (FDIs).

During the period from 31 October 2016 to 31 March 2017, no FDIs were held by the Scheme and as such no leverage was employed.

LPP I Global Equities Fund

About the Sub-fund

Investment Objective & Policy

The investment objective of the LPP I Global Equities Fund (the "Sub-fund") is to achieve long term capital growth predominantly through investment in global equity markets.

The Sub-fund will invest across global equity markets in a benchmark agnostic manner. Investment will be through a combination of direct investments made by the ACS Manager and by one or more delegated sub-advisors and other collective investment schemes. The ACS Manager will select the sub-advisors and determine allocations and investment parameters for each. These may change throughout the life of the Sub-fund.

The Sub-fund may invest in other regulated and unregulated collective investment schemes (which may include collective investment schemes operated by the ACS Manager). There is no limit on the proportion of the Sub-fund that may be invested into other collective investment schemes.

The Sub-fund may also invest in other transferable securities, warrants, money market instruments, deposits, cash and near cash.

The Sub-fund may enter into derivatives for hedging and efficient portfolio management and for investment purposes. The Sub-fund may enter into borrowing for the purposes of short term liquidity and settlement.

Performance Table

	Since launch 31/10/2016*
<hr/>	
Total Return (with net income reinvested)	
Unit Class I	6.60%
LPP I Global Equities Fund	7.45%
MSCI All Country Index^	

All Fund figures quoted are based on bid-to-bid dealing prices (the price at which units are sold) and are calculated net of fees. Performance returns are cumulative. All returns are in Sterling.

* The Fund launched on 31 October 2016, therefore 3 and 5 year performance data is not available.

^ Figures from LPP I.

All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and the return of your initial investment amount cannot be guaranteed. Changes in exchange rates may cause the value of an investment to fluctuate. Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.

LPP I Global Equities Fund

Investment Report

Summary of Performance over the period

The Sub-fund returned 6.60%* (net of fees) over the period from 31 October 2016 to 31 March 2017 underperforming the benchmark, the MSCI All Country Index which returned 7.45%, by 0.85%.

Fund Manager's Commentary

While this annual report covers a relatively short period under review (five months), it was certainly one of the most eventful and interesting periods in recent years.

The LPP I Global Equities Fund was launched on 1st November 2016, seven days before the US general election which took global markets by surprise by returning Donald Trump as the 45th President.

Following the Election Day, the market reaction was to swiftly price in the prospect of higher US and global growth and inflation, underpinned by the anticipated new policies of a Republican controlled congress and President, widely considered to be more pro-growth than those advocated by Hillary Clinton.

This reaction led to the global equity markets rotating into sectors market participants believed to be the core beneficiary of the new political regime, principally: Banks, Materials, Energy and Infrastructure related stocks (we shall refer to these as Value or Cyclical Stocks). This rotation resulted in the less economically sensitive sectors (Consumer staples, Healthcare etc.) and those stocks which had already delivered market leading growth in the run up to the election (Technology and certain areas within Consumer Discretionary) (collectively we refer to these sectors as Stable or Quality stocks) to fall out of investor favour or be used as a funding source for purchasing the Cyclical Stocks.

As a result, into the close of the year, the MSCI ACWI Value Index delivered a total return of 5.44% (31 Oct 16 – 31 Dec 16) versus the MSCI ACWI at 2.99% and the MSCI ACWI Quality at 1.11%.

Since the start of 2017, the market excitement around the Cyclical stocks has appeared to have waned as the anticipation of positive economic policy reform has met with the stark reality of the Washington DC political machinery. Sometimes it is better to travel than arrive.

Consequently, in the first three months of the year, Quality stocks have gained market leadership over Value: the MSCI ACWI Quality has generated a total return of 6.22% (31 Dec 16 – 31 Mar 17), versus 2.78% for the MSCI ACWI Value and 4.85% for the MSCI ACWI.

Given that the LPP I Global Equity Fund maintains a deliberate bias towards managers who pursue investment philosophies that can be generally defined as "Quality at a reasonable price", the portfolio has largely exhibited the same return profile of the Quality Index – lagging the broader equity market into the end of 2016 and outperforming during the start of 2017.

As noted above, the Sub-fund has generated a total return of 6.6% (net of fees) over the reporting period, lagging the MSCI ACWI at 7.45% and the MSCI ACWI Quality at 7.10%.

The table below provides an overview of the performance of the underlying managers within the LPP Global Equity Fund.

Manager	Net Return 31 Oct 2016 - 31 March 2017
LPP I Internal Portfolio	7.05%
MFS	6.81%
Robeco	5.66%
Magellan	6.52%
LPP I Global Equities Fund	6.60%
MSCI ACWI	7.45%

The remainder of 2017 is set to be an eventful period with elections in France & Germany, escalating international tensions with Russia, Syria and North Korea, the Chinese Communist Party Congress and further anticipated US Federal Bank rate raises, to name but a few.

While the future is always uncertain, we are confident that our bias towards equity managers who exhibit a significant tilt towards Quality stocks, with largely stable and durable business models, will provide superior risk adjusted returns versus the wider global equity indices over the longer term market cycle.

We would like to thank our clients for their continued support for the LPP I Global Equity Fund.

March 2017

* Performance figures quoted are based on bid-to-bid dealing prices (the price at which units are sold). Performance is calculated net of fees and reported for the Fund's Unit Class I.

LPP I Global Equities Fund
Comparative table

For the period:	31/10/2016 to 31/3/2017
Unit Class I	pence per unit [^]
Change in net assets per unit	
Opening net asset value per unit	1,000,000
Return before operating charges	69,163
Operating charges	(935)
Return after operating charges	68,228
Distributions	(4,766)
Closing net asset value per unit	1,063,462
*After transaction costs of	—
Performance	
Return after charges [†]	6.82%
Other information	
Closing net asset value (£000's)	5,429,897
Closing number of units	510,587
Operating charges [#]	0.22%
Direct transaction costs*	0.03%
Performance fee ^Ø	0.43%
Prices	
Highest unit price	1,087,714
Lowest unit price	953,583

[^] The launch date of the Sub-fund.

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Sub-fund and unit class returns before operating charges. The direct transaction costs figure is expressed as an annual percentage rate. For details of the direct transaction costs incurred please see page 23.

The Operating Charges figure represents the annual operating expenses of the Sub-fund expressed as a percentage of the average net assets for the period – it does not include initial charges. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the Sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

† The return after charges figure is based on the net asset value reported for financial statement purposes and is not the same as the performance returns figure in the Performance Table which is based on bid-to-bid dealing prices (the price at which units are sold).

Ø A performance fee is payable with regards to any outperformance as per the calculation methodology outlined in the Prospectus.

LPP I Global Equities Fund
Distribution Statement

for the period from 31 October 2016 to 31 March 2017

Final Distribution in pence per unit

Group 1 – Units purchased prior to 1 January 2017

Group 2 – Units purchased 1 January 2017 to 31 March 2017

Unit Class I	Net Revenue	Equalisation*	Amount payable on 31/5/2017
Group 1	4,766	—	4,766
Group 2	3,303	1,463	4,766

Interim Distribution in pence per unit

Group 1 – Units purchased prior to 31 October 2016

Group 2 – Units purchased 31 October 2016 to 31 December 2016

Unit Class I	Net Revenue	Equalisation*	Amount paid on 28/2/2017
Group 1	0	—	0
Group 2	0	0	0

* Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

LPP I Global Equities Fund

Portfolio Statement

for the period from 31 October 2016 to 31 March 2017

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
EQUITIES - 83.39%			
ASIA PACIFIC - 2.19%			
Australia - 0.91%			
186,858	Australia & New Zealand Banking	3,627	0.07
188,106	Australian Stock Exchange	5,797	0.11
93,964	Commonwealth Bank of Australia	4,926	0.09
4,480,007	DUET	7,639	0.14
2,044,084	Harvey Norman	5,655	0.10
88,258	National Australia Bank	1,795	0.03
232,175	Sonic Healthcare	3,134	0.06
4,622,026	Spark Infrastructure	6,683	0.12
900,611	Telstra	2,563	0.05
270,639	Wesfarmers	7,443	0.14
		49,262	0.91
Hong Kong - 0.43%			
2,429,500	BOC Hong Kong	7,944	0.15
837,000	CLP	7,000	0.13
221,700	Hang Seng Bank	3,598	0.07
2,411,000	HKT Trust	2,488	0.04
411,800	Television Broadcasts	1,328	0.02
109,800	Vtech	1,048	0.02
		23,406	0.43
Japan - 0.36%			
347,900	Astellas Pharmaceuticals	3,660	0.07
223,500	Canon	5,568	0.10
243,600	Hitachi Maxell	3,551	0.06
22,300	Lawson	1,208	0.02
91,800	Nippon Telegraph & Telephone	3,131	0.06
143,800	NTT Docomo	2,676	0.05
		19,794	0.36
New Zealand - 0.16%			
1,013,551	Auckland International Airport	3,833	0.07
1,098,829	Fletcher Building	5,092	0.09
		8,925	0.16
Singapore - 0.33%			
1,311,600	ComfortDelGro	1,925	0.03
1,675,900	SATS	4,686	0.09
3,406,300	Singapore Post	2,646	0.05
1,432,300	Singapore Press	2,906	0.05
1,859,700	StarHub	3,060	0.06
382,500	Venture	2,513	0.05
		17,736	0.33
EUROPE - 24.45%			
Belgium - 1.30%			
774,639	Anheuser-Busch InBev	68,212	1.26
98,794	Proximus	2,486	0.04
		70,698	1.30
Denmark - 0.11%			
75,581	DFDS	3,336	0.06
169,964	Tryg	2,478	0.05
		5,814	0.11

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (€000's)	% of Total Net Assets
Finland - 1.50%			
1,883,400	KONE class 'B' shares	66,338	1.22
204,511	Orion series 'B' shares	8,562	0.16
103,446	Sampo series 'A' shares	3,927	0.07
127,741	UPM-Kymmene	2,411	0.05
		81,238	1.50
France - 2.96%			
15,786	ALTEN	970	0.02
1,010,746	Danone	55,113	1.01
708,435	Legrand	34,251	0.63
333,196	LVMH Moet Hennessy	58,595	1.08
56,861	Sanofi	4,115	0.07
120,012	SCOR	3,637	0.07
105,451	Total	4,274	0.08
		160,955	2.96
Germany - 1.88%			
608,959	Bayer	56,149	1.04
337,828	Deutsche Telekom	4,755	0.09
61,422	Freenet	1,603	0.03
31,592	Hannover Rueckversicherung	2,921	0.05
249,167	Linde	33,279	0.61
19,934	Muenchener Rueckversicherung	3,128	0.06
		101,835	1.88
Ireland - 6.06%			
1,998,915	Accenture	191,643	3.53
2,129,522	Medtronic	137,203	2.53
		328,846	6.06
Italy - 0.05%			
693,016	Terna	2,758	0.05
Luxembourg - 0.04%			
29,831	RTL	1,925	0.04
Netherlands - 0.97%			
500,722	Akzo Nobel	33,273	0.61
123,573	DSM	6,709	0.13
183,131	Heineken	12,499	0.23
		52,481	0.97
Norway - 0.14%			
217,935	Gjensidige Forsikring	2,661	0.05
548,239	Orkla	3,922	0.07
50,239	SalMar	866	0.02
		7,449	0.14
Portugal - 0.13%			
2,587,507	EDP Energias	7,028	0.13
Sweden - 1.52%			
4,308,695	Assa Abloy	71,031	1.31
288,514	Hufvudstaden	3,427	0.06
309,132	Swedbank series 'A' shares	5,752	0.11
309,877	Tele2 series 'B' shares	2,375	0.04
		82,585	1.52
Switzerland - 7.79%			
8,493	Allreal	1,110	0.02
6,000	Banque Cantonale Vaudoise (Registered)	3,311	0.06
1,698,387	Compagnie Financiere Richemont	107,503	1.98
164,900	Garmin	6,741	0.13

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
Switzerland (continued)			
6,880	Mobimo	1,426	0.03
3,056,331	Nestlé	187,718	3.46
85,092	Novartis	5,056	0.09
16,076	Partners	6,920	0.13
354,118	Roche Holding	72,386	1.33
1,723	Sika	8,270	0.15
96,009	Swiss Prime Site	6,760	0.13
68,785	Swiss Re	4,945	0.09
7,768	Swisscom	2,868	0.05
117,996	TE Connectivity	7,034	0.13
2,782	Valora	769	0.01
		422,817	7.79
LATIN AMERICA - 0.74%			
Bermuda - 0.63%			
65,100	Arch Capital	4,933	0.09
99,340	Axis Capital	5,323	0.10
229,661	Essent	6,642	0.12
42,500	Everest Re	7,949	0.14
23,100	RenaissanceRe	2,672	0.05
153,400	Validus	6,920	0.13
		34,439	0.63
Cayman Islands - 0.11%			
129,700	Fresh Del Monte Produce	6,144	0.11
MIDDLE EAST - 0.18%			
Israel - 0.18%			
1,396,557	Bank Hapoalim	6,800	0.13
2,071,376	Bezeq Israeli Telecommunication	2,971	0.05
		9,771	0.18
NORTH AMERICA - 42.09%			
Canada - 3.27%			
147,800	Bank of Montreal	8,813	0.16
195,000	Bank of Nova Scotia	9,101	0.17
105,304	BCE	3,718	0.07
269,900	CAE	3,289	0.06
118,500	Canadian Imperial Bank of Commerce	8,152	0.15
1,003,851	Canadian National Railway	59,358	1.09
386,200	Capital Power	6,030	0.11
111,100	CI Financial	1,763	0.03
72,900	Dollarama	4,820	0.09
306,100	Energcare	3,818	0.07
436,500	First Capital Realty	5,236	0.10
149,700	Genworth	3,302	0.06
58,200	Intact Financial	3,304	0.06
163,700	Loblaws	7,083	0.13
156,300	Metro class 'A' voting shares	3,829	0.07
238,400	National Bank of Canada	7,985	0.15
203,600	Rogers Communications class 'B' shares	7,179	0.13
184,100	Royal Bank of Canada	10,699	0.20
235,500	Saputo	6,476	0.12
154,400	Shaw Communications class 'B' shares	2,553	0.05
249,100	Toronto-Dominion Bank	9,950	0.18
92,600	Transcontinental	1,364	0.02
		177,822	3.27

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
United States of America - 38.82%			
753,942	3M	115,369	2.12
200,800	ABM Industries	7,001	0.13
162,800	Advanced Energy Industries	8,927	0.16
86,000	Allstate	5,603	0.10
98,936	Alphabet class 'A' shares	67,086	1.24
134,600	Altria	7,689	0.14
97,500	Ameren	4,257	0.08
144,800	American Electric Power	7,774	0.14
87,600	American Water Works	5,448	0.10
53,100	Amgen	6,968	0.13
37,424	Applied Industrial Technologies	1,850	0.03
443,200	AT&T	14,728	0.27
864,208	Automatic Data Processing	70,757	1.30
115,129	AutoZone	66,551	1.23
181,300	Baxter International	7,518	0.14
37,900	Becton Dickinson	5,559	0.10
197,200	Benchmark Electronics	5,011	0.09
218,424	BlackRock	66,989	1.23
99,000	Broadridge Financial Solutions	5,379	0.10
472,004	Capitol Federal Financial	5,524	0.10
109,500	Cincinnati Financial	6,330	0.12
64,000	Cintas	6,477	0.12
45,900	Clorox	4,949	0.09
2,300,660	Colgate-Palmolive	134,669	2.48
56,700	Consolidated Edison	3,521	0.06
2,190,263	Coty	31,765	0.58
29,000	Cracker Barrel Old Country Store	3,693	0.07
718,319	Disney	65,125	1.20
62,100	Douglas Dynamics	1,521	0.03
73,200	Dr Pepper Snapple	5,732	0.11
91,600	DTE Energy	7,480	0.14
128,500	Duke Energy	8,428	0.16
112,700	Entergy	6,846	0.13
30,500	Erie Indemnity	2,991	0.06
37,600	General Dynamics	5,629	0.10
82,000	Home Depot	9,628	0.18
1,370,701	Honeywell International	136,840	2.52
80,000	Illinois Tool Works	8,475	0.16
393,100	Intel	11,341	0.21
37,100	J.M. Smucker	3,889	0.07
86,641	Jack Henry & Associates	6,450	0.12
1,517,704	Johnson & Johnson	151,139	2.78
32,400	Lockheed Martin	6,935	0.13
81,000	Marsh & McLennan	4,787	0.09
50,800	McCormick & Co	3,963	0.07
55,900	McDonald's	5,794	0.11
230,000	Merck & Co	11,686	0.22
79,356	MSC Industrial Direct	6,521	0.12
147,632	Navigant Consulting	2,696	0.05
37,000	Northrop Grumman	7,039	0.13
214,800	Northwest	2,890	0.05
71,700	Northwest Natural Gas	3,387	0.06
230,200	Old Republic International	3,771	0.07
1,171,042	Oracle	41,782	0.77
99,700	Packaging Corporation of America	7,305	0.13
46,400	Paychex	2,185	0.04
266,600	People's United Financial	3,879	0.07
130,800	PepsiCo	11,700	0.22
472,200	Pfizer	12,917	0.24
115,400	Philip Morris International	10,421	0.19

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
United States of America (continued)			
65,600	Pinnacle Foods	3,037	0.06
58,100	Pinnacle West Capital	3,874	0.07
40,854	PNC Financial Services	3,929	0.07
115,400	PPL	3,451	0.06
52,300	Raytheon	6,379	0.12
71,300	Reinsurance Group of America	7,233	0.13
166,200	Republic Services	8,349	0.15
557,091	Rockwell Automation	69,362	1.28
57,531	Safety Insurance	3,224	0.06
193,800	Southern	7,716	0.14
946,532	State Street	60,269	1.11
135,000	Synopsys	7,788	0.14
183,200	Sysco	7,607	0.14
1,251,009	Texas Instruments	80,601	1.48
50,100	The Children's Place	4,811	0.09
589,264	Thermo Fisher Scientific	72,376	1.33
72,200	Thomson Reuters	2,490	0.05
695,977	Time Warner	54,378	1.00
43,500	Travelers	4,193	0.08
647,133	United Parcel Service class 'B' shares	55,527	1.02
82,700	Varian Medical Systems	6,026	0.11
211,600	Vector	3,519	0.06
316,200	Verizon Communications	12,329	0.23
2,929,691	Visa	208,249	3.84
98,918	VMware	7,287	0.13
177,900	Wal-Mart Stores	10,253	0.19
141,700	Waste Management	8,264	0.15
397,553	Waters	49,687	0.92
85,900	WEC Energy	4,165	0.08
117,300	Xcel Energy	4,170	0.08
704,416	Zimmer	68,797	1.27
		2,107,904	38.82
UNITED KINGDOM - 13.74%			
Guernsey - 0.08%			
91,300	Amdocs	4,454	0.08
Isle of Man - 0.11%			
831,190	GVC	6,103	0.11
United Kingdom - 13.55%			
976,911	3i	7,324	0.13
180,692	Admiral	3,593	0.07
720,518	Aon class 'A' shares	68,387	1.26
90,285	AstraZeneca	4,436	0.08
655,742	BAE Systems	4,215	0.08
1,442,878	British American Tobacco	76,480	1.41
3,139,025	Centrica	6,820	0.12
4,937,265	Diageo	112,767	2.08
4,401,707	Experian	71,638	1.32
562,828	GlaxoSmithKline	9,342	0.17
1,610,941	HSBC	10,489	0.19
734,968	IG	3,656	0.07
396,898	Lancashire	2,670	0.05
2,126,977	London Stock Exchange	67,532	1.24
753,325	National Grid	7,637	0.14
1,677,805	Reckitt Benckiser	122,304	2.25
370,458	RELX	5,792	0.11
165,982	SSE	2,451	0.05
1,980,561	Unilever	78,883	1.45
1,207,910	Vodafone	2,515	0.05

LPP I Global Equities Fund

Portfolio Statement

(continued)

Holding or Nominal Value	Investment	Market Value (£000's)	% of Total Net Assets
United Kingdom (continued)			
237,467	WH Smith	4,213	0.08
3,561,398	WPP	62,414	1.15
		735,558	13.55
COLLECTIVE INVESTMENT SCHEMES - 15.03%			
Investment Funds - 15.03%			
Ireland - 15.03%			
7,668,596	MFG Global Fund Class 1 USD	816,320	15.03
REAL ESTATE INVESTMENT TRUSTS - 1.29%			
ASIA PACIFIC - 0.64%			
Australia - 0.52%			
1,209,809	Dexus Property	7,215	0.13
855,074	GPT	2,692	0.05
1,812,601	Investa Office Fund	5,264	0.10
4,985,247	Mirvac	6,676	0.12
2,323,573	Stockland Trust	6,591	0.12
		28,438	0.52
Hong Kong - 0.12%			
1,165,000	Link Real Estate Investment Trust	6,516	0.12
NORTH AMERICA - 0.65%			
Canada - 0.36%			
172,900	Canadian Real Estate Investment Trust	5,026	0.09
705,200	Cominar Real Estate Investment Trust	6,100	0.11
77,900	Granite Real Estate	2,176	0.04
396,200	RioCan Real Estate Investment Trust	6,219	0.12
		19,521	0.36
United States of America - 0.29%			
162,700	Agree Realty	6,239	0.11
103,600	National Health Investors	6,017	0.11
74,100	Realty Income	3,527	0.07
		15,783	0.29
Total Portfolio of Investments		5,414,325	99.71
Net Other Assets		15,572	0.29
Total Net Assets		5,429,897	100.00

Unless otherwise stated, all securities are either listed on a recognised exchange or traded on an eligible securities market.

Note: As the Sub-fund launched on 31 October 2016, no comparatives have been presented.

LPP I Global Equities Fund

Statement of Total Return

for the period from 31 October 2016 to 31 March 2017

	Notes	31/10/2016 to 31/3/2017	
		£000's	£000's
Income			
Net capital gains	3		324,265
Revenue	4	42,442	
Expenses	5	(14,097)	
Interest payable and similar charges	7	(4)	
Net revenue before taxation		28,341	
Taxation	6	(3,963)	
Net revenue after taxation			24,378
Total return before distributions			348,643
Distributions	8		(24,378)
Change in net assets attributable to Unitholders from investment activities			324,265

Statement of Change in Net Assets Attributable to Unitholders

for the period from 31 October 2016 to 31 March 2017

	31/10/2016 to 31/3/2017	
	£000's	£000's
Opening net assets attributable to Unitholders		—
Amounts received on issue of units	5,245,577	
Amounts paid on cancellation of units	(139,945)	
Change in net assets attributable to Unitholders from investment activities (see above)		5,105,632
Closing net assets attributable to Unitholders		5,429,897

Note: As the Sub-fund launched on 31 October 2016, no comparatives have been presented.

LPP I Global Equities Fund

Balance Sheet

as at 31 March 2017

	Notes	£000's	31/3/2017 £000's
ASSETS			
Fixed assets			
Investment assets			5,414,325
Current assets			
Debtors	9	9,621	
Cash and bank balances		45,439	
Total other assets			55,060
Total assets			5,469,385
LIABILITIES			
Creditors			
Bank overdrafts		941	
Distribution payable		24,336	
Other creditors	10	14,211	
Total other liabilities			39,488
Total liabilities			39,488
Net assets attributable to Unitholders			5,429,897

Note: As the Sub-fund launched on 31 October 2016, no comparatives have been presented.



Christopher Rule
Chief Investment Officer
On behalf of
Local Pensions Partnership Investments Ltd
24 July 2017



Thomas Richardson
Chief Risk Officer
On behalf of
Local Pensions Partnership Investments Ltd
24 July 2017

LPP I Global Equities Fund

Notes to the Financial Statements

for the period from 31 October 2016 to 31 March 2017

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on page 3.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 4 to 7.

3 Net capital gains

The net capital gains on investments during the period comprise:

31/10/2016 to
31/3/2017
£000's

Gains on non-derivative securities	446,990
Currency losses	(122,725)
Net capital gains	324,265

Net gains listed above of £324,265,000 comprise net unrealised gains of £318,791,000 and net realised gains of £5,474,000.

4 Revenue

31/10/2016 to
31/3/2017
£000's

Bank interest	1
Interest from overseas fixed interest securities	18
Non-taxable overseas dividends	35,538
Overseas REIT dividends	1,773
UK dividends	5,112
Total revenue	42,442

5 Expenses

31/10/2016 to
31/3/2017
£000's

Payable to the Manager or Associate of the Manager:

Manager's charge	4,012
General administration charges	180
Performance fees [^]	9,408
	13,600

Other expenses

Audit fee	85
Depositary's fees	185
FCA fee	31
Legal fees	41
Professional fees	62
Risk monitoring fee	33
Transfer agency fees	11
Other expenses	49
	497

Total expenses	14,097
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[^] A performance fee is payable with regards to any outperformance as per the calculation methodology outlined in the Prospectus.

LPP I Global Equities Fund
Notes to the Financial Statements
(continued)

6 Taxation

31/10/2016 to
31/3/2017
£000's

a) Analysis of tax charge

Corporation tax	—
Irrecoverable overseas tax	3,963
Total tax charge	3,963

b) Factors affecting the tax charge

As an Authorised Contractual Scheme the Fund is tax transparent for UK tax purposes and not subject to corporation tax.

A reconciliation between the total tax charge and the corporation tax is shown below:

Net revenue before taxation	28,341
Corporation tax @ 0%	—
Effects of:	
Irrecoverable overseas tax	3,963
Total tax charge (see note 6a)	3,963

7 Interest payable and similar charges

31/10/2016 to
31/3/2017
£000's

Interest paid	4
Total interest	4

8 Distributions

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units and comprise:

31/10/2016 to
31/3/2017
£000's

Interim distribution	—
Final distribution	24,336
	24,336
Add: Amounts deducted on cancellation of units	55
Less: Amounts received on issue of units	(13)
Distributions	24,378

Details of the interim and final distributions per unit are set out in the tables on page 11.

LPP I Global Equities Fund
Notes to the Financial Statements
(continued)

9 Debtors

	31/3/2017 £000's
Accrued revenue	7,405
Overseas tax recoverable	2,216
Total debtors	9,621

10 Creditors

	31/3/2017 £000's
Accrued administration fees	180
Accrued audit fee	85
Accrued depositary fee	185
Accrued FCA fee	31
Accrued legal fees	41
Accrued manager's charge	4,012
Accrued performance fees	9,408
Accrued professional fees	62
Accrued risk monitoring fee	33
Accrued safe custody fees	11
Accrued other expenses	49
Purchases awaiting settlement	114
Total other creditors	14,211

11 Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

12 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entity was a related party of the Sub-fund during the period ended 31 March 2017:

ACS Manager: Local Pensions Partnership Investments Limited

The following investors held more than 20% of the voting units in issue in the Sub-fund and as a result are considered to be related parties of the Sub-fund:

As at 31 March 2017:

Held by:	% of voting units in issue	No. of units held
Lancashire County Council	58%	296,531
London Pensions Fund Authority	42%	214,056

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Sub-fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the period end are disclosed in notes 9 and 10. Management fees and registration fees paid to Local Pensions Partnership Investments Limited are shown in note 5. The balances due at the period end in respect of these fees are shown in note 10.

LPP I Global Equities Fund
Notes to the Financial Statements
(continued)

13 Portfolio transaction costs

For the period from 31 October 2016 to 31 March 2017

Purchases (excluding derivatives)	Transaction	Commissions	%	Taxes	%
	Value			£000's	
	£000's	£000's		£000's	
Equity instruments (direct)	4,977,831	246	0.00	43	0.00
Debt instruments (direct)	1,099,240	—	—	—	—
Money market instruments (direct)	45,405	—	—	—	—
Collective investment schemes	844,636	183	0.02	—	—
Total purchases	6,967,112	429		43	
Total purchases including transaction costs	6,967,584				

Sales (excluding derivatives)	Transaction	Commissions	%	Taxes	%
	Value			£000's	
	£000's	£000's		£000's	
Equity instruments (direct)	701,379	257	0.04	6	0.00
Debt instruments (direct)	1,099,170	—	—	—	—
Money market instruments (direct)	45,433	—	—	—	—
Collective investment schemes	32,275	—	—	—	—
Total sales	1,878,257	257		6	
Total sales net of transaction costs	1,877,994				

Derivative transaction costs	—	—
Total transaction costs	686	49
Total transaction costs as a % of average net assets	0.01%	0.00%

The above analysis covers direct transaction costs incurred by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Separately identifiable direct transaction costs (such as commissions and taxes) are attributable to the Sub-fund's purchase and sale of equity instruments. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be incurred on purchase and sale transactions.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.00%.

LPP I Global Equities Fund
Notes to the Financial Statements
(continued)

14 Units in issue

The movement in units in issue for the period from 31 October 2016 to 31 March 2017 is as follows:

	Unit Class I
Balance at the beginning of the period	—
Issued during the period	524,532
Cancelled during the period	(13,945)
Converted during the period	—
Balance at the end of the period	510,587

15 Post Balance Sheet Events

There have been no significant events subsequent to the period end, which, in the opinion of the Manager have had an impact on the financial statements for the period ended 31 March 2017.

LPP I Asset Pooling Authorised Contractual Scheme

Statement of Manager's Responsibilities

The Manager is required by the rules of the Sourcebook to prepare the financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting standards in the United Kingdom to give a true and fair view of the state of affairs of the Scheme at the period end and of the net revenue for the period.

The financial statements should comply with the disclosure requirements of the UK Financial Reporting Standard ("FRS") 102 and with the Statement of Recommended Practice (the "SORP") for Authorised Funds issued by the Investment Association, compliance with this SORP is required by the Financial Conduct Authority's (FCA's) Regulations.

In preparing the accounts the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Financial Statements of Authorised Funds as well as in accordance with Financial Reporting Standard (FRS) 102.
- follow applicable accounting standards; and
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The Manager is responsible for the management of the ACS in accordance with the Prospectus which has been prepared in accordance with the FCA Collective Investment Schemes Sourcebook and the FCA Investment Funds Sourcebook.

The ACS Manager is responsible for managing and administering the ACS's affairs in compliance with the COLL Sourcebook. The ACS Manager may delegate its management and administration functions, but not responsibility, to third parties subject to the rules in the COLL Sourcebook.

The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LPP I Asset Pooling Authorised Contractual Scheme

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the Local Pensions Partnership Investments Asset Pooling Authorised Contractual Scheme (the "Scheme") for the period ended 31 March 2017

The Depositary must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from 8 September 2016, the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (together "the Regulations"), and the Contractual Scheme Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Depositary is responsible for the safekeeping of all the custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Depositary must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time Limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM"), are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme in accordance with the Regulations and the Scheme documents.

BNY Mellon Trust & Depositary London
(UK) Limited

24 July 2017

LPP I Asset Pooling Authorised Contractual Scheme

Independent Auditor's Report to the Unitholders of LPP I Asset Pooling Authorised Contractual Scheme

We have audited the financial statements of LPP I Asset Pooling Authorised Contractual Scheme (the Scheme) for the period ended 31 March 2017. These financial statements comprise the financial statements of the following Sub-fund of the Scheme:

- LPP I Global Equities Fund

The financial statements of the Sub-fund comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, and the related notes and the distribution table.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014.

This report is made solely to the Scheme's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook. Our audit work has been undertaken so that we might state to the Scheme's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Manager and the auditor

As explained more fully in the Statement of Manager's Responsibilities on page 25, the Contractual Scheme Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Contractual Scheme Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Scheme and the Sub-fund as at 31 March 2017 and of the net revenue and net capital gains on the scheme property of the Scheme and the Sub-fund for the period then ended, and
- have been properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014, the Collective Investment Schemes sourcebook, and the contractual scheme deed.

Other reporting responsibilities

Opinion on other matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit, and
- the information given in the Manager's Report (which comprises the Cross Sub-fund holdings within the Scheme contained in the Manager's report on page 2, the Investment Report and the Portfolio Statement) is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes sourcebook requires us to report to you if in our opinion:

- proper accounting records for the Scheme or the Sub-fund have not been kept, or
- the financial statements are not in agreement with those accounting records.



Grant Thornton UK LLP
Statutory Auditor,
Chartered Accountants
London

24 July 2017